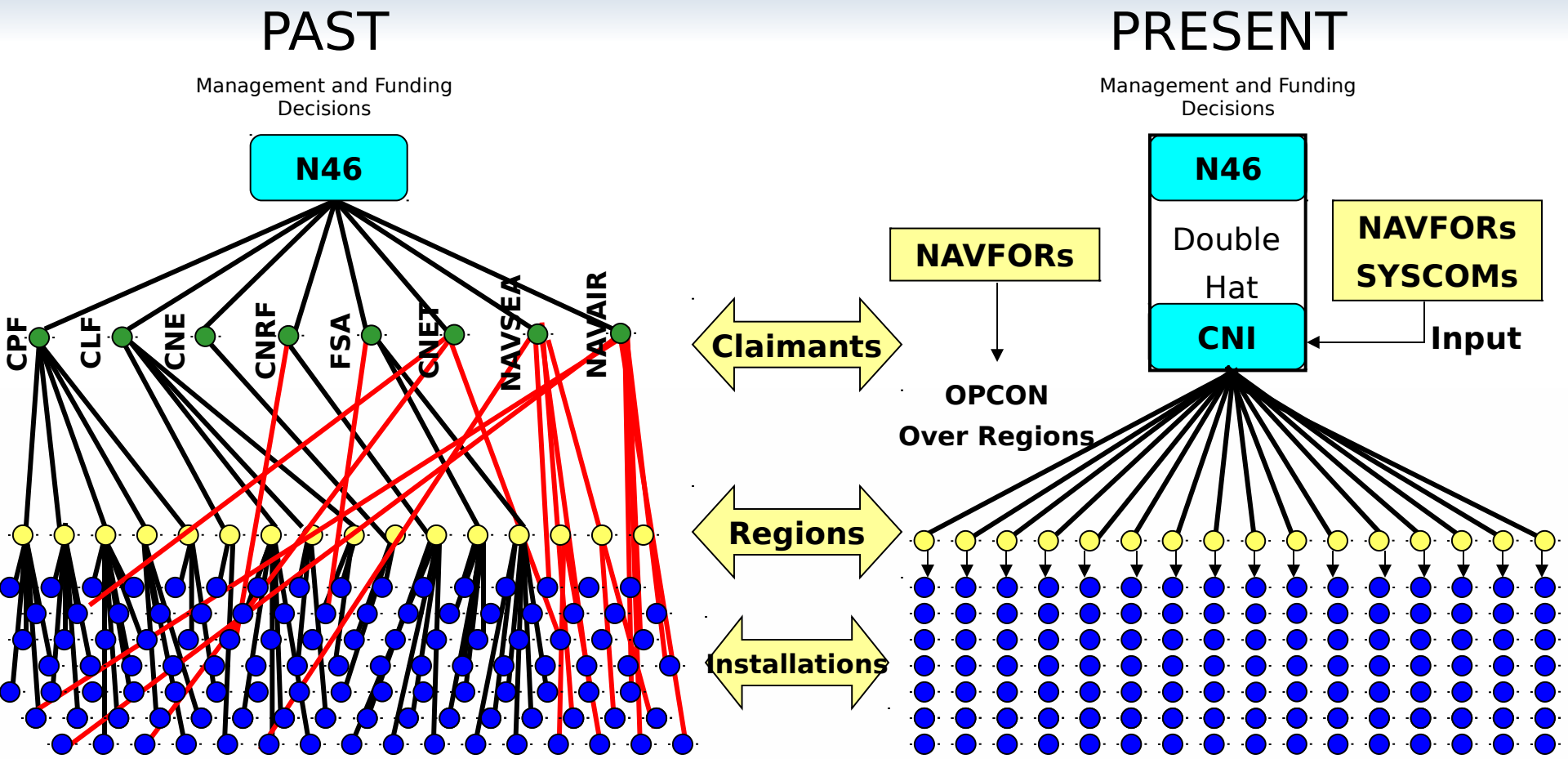
POM-06 Target Brief Commander, Navy Installations

Sea Enterprise Panel

10 March 2004

Ashore Readiness
PPBES Process Improvement



- Combination Geographic and Functional Alignment
- Installation-Centric
- Low buy-in from Regions
- Inconsistencies between Programming, Budgeting and Execution

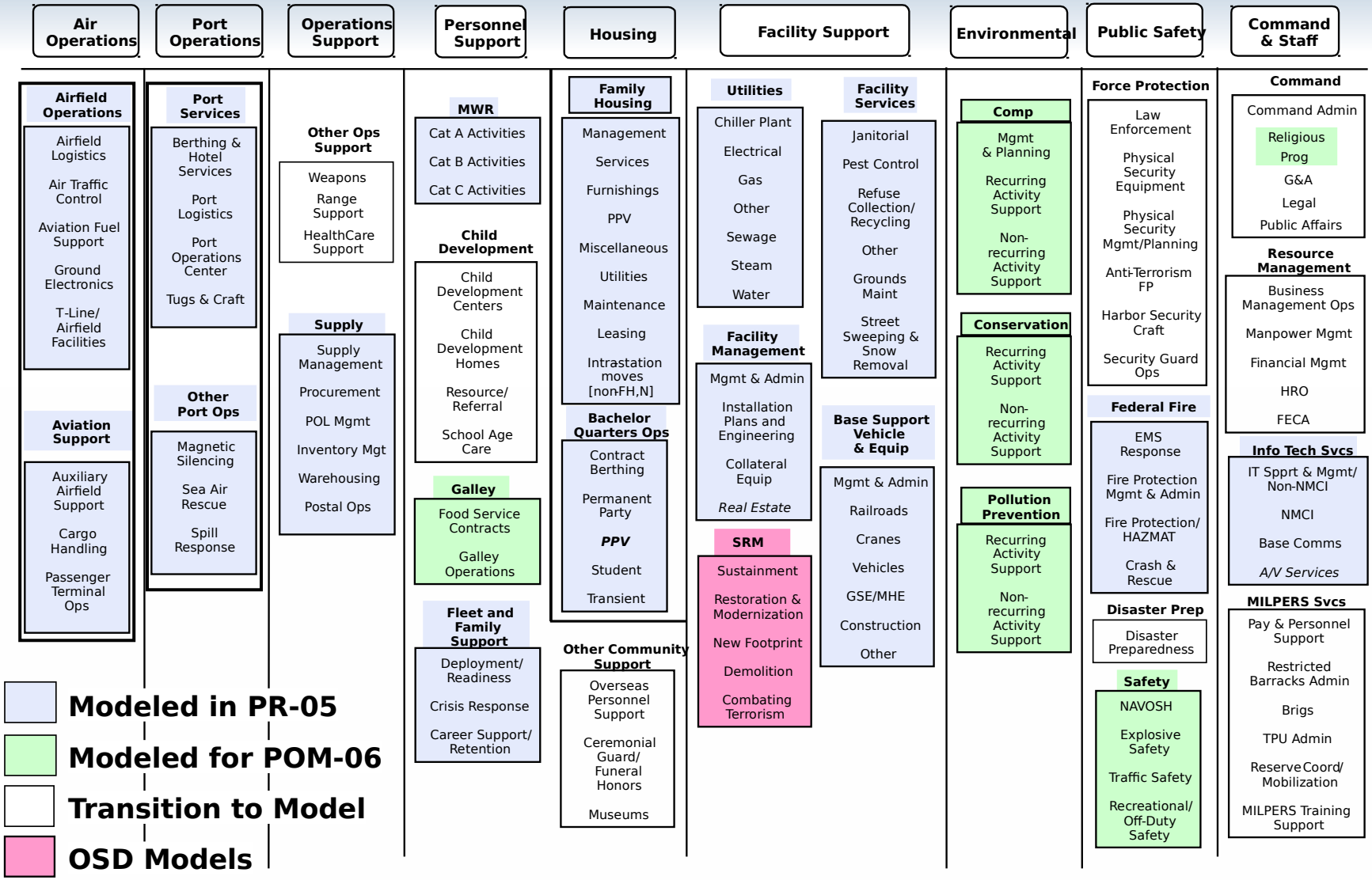
- Pure Geographic Alignment
- Regional & Program-Centric
- Regional Participation
- Improved correlation between Programming, Budgeting and Execution

Table of Contents

- Installation Core Business Model
- The Process
- Financial Sight Picture vs. POM-06 Capability Plan and Mitigation Strategies
  - Base Operations Support
  - Facilities Investment
  - Family Housing
- Cross-functional Mitigation Strategies
- Financial Sight Picture vs. POM-06 Capability Plan vs. High, Medium and Low Risk Mitigation Strategies

Installation Core Business Model

Modeled Capability Plans – Shifting from LOE



POM 06

Base Operations Support, Facility Investment and Family Housing Model Summary (2 Star IPR)

CAPABILITY

Output

- What's being delivered in the POM-06 Capability Plan

FUNDING

Dollars

- DoN Budget to OSD
- POR
- POM-06 CP
- Intelligent target
- Capability gap (POM-06 CP minus intelligent target)

PROGRAM ANALYSIS AND CHANGES

Program changes since PR-05

- Plusses and minuses

MITIGATION OPPORTUNITIES

Our focus today

P
o
M
06

Specific Mitigation
SEA Enterprise BOD

Product/Output Description:

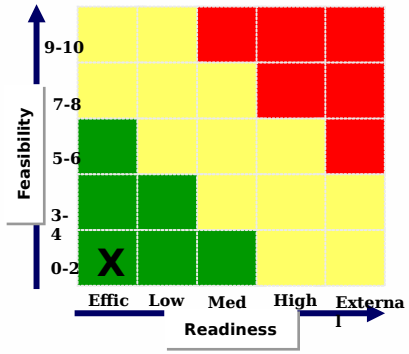
- Description of the function where the mitigation is being taken

Proposed Action:

- Description of the mitigation strategy

Risk / Impact Assessment:

- Follows CFFC format – Feasibility and Readiness Impact



FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline							
APPN							
(+) Investment							
(-) Savings							
Net							
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	0	0	0	0	0	0	0	0	

POM 06

Base Operations Support

Installation Core Business Model

Air Operations

Airfield Operations
- Airfield Logistics
- Air Traffic Control
- Aviation Fuel Support
- Ground Electronics
- T-Line/ Airfield Facilities

Aviation Support
- Auxiliary Airfield Support
- Cargo Handling
- Passenger Terminal Ops

Port Operations

Port Services
- Berthing & Hotel Services
- Port Logistics
- Port Operations Center
- Tugs & Craft

Other Port Ops
- Magnetic Silencing
- Sea Air Rescue
- Spill Response

Operations Support

Other Ops Support
- Weapons Range Support
- HealthCare Support

Supply
- Supply Management
- Procurement
- POL Mgmt
- Inventory Mgt
- Warehousing
- Postal Ops

Personnel Support

MWR
- Cat A Activities
- Cat B Activities
- Cat C Activities

Child Development
- Child Development Centers
- Child Development Homes
- Resource/ Referral
- School Age Care

Galley
- Food Service Contracts
- Galley Operations

Fleet and Family Support
- Deployment/ Readiness
- Crisis Response
- Career Support/ Retention

Housing

Family Housing
- Management
- Services
- Furnishings
- PPV
- Miscellaneous
- Utilities
- Maintenance
- Leasing
- Intrastation moves [non-FH,N]

Bachelor Quarters Ops
- Contract Berthing
- Permanent Party
- ***PPV***
- Student
- Transient

Other Community Support
- Overseas Personnel Support
- Ceremonial Guard/ Funeral Honors
- Museums

Facility Support

Utilities
- Chiller Plant
- Electrical
- Gas
- Other
- Sewage
- Steam
- Water

Facility Management
- Mgmt & Admin
- Installation Plans and Engineering
- Collateral Equip
- *Real Estate*

SRM
- Sustainment
- Restoration & Modernization
- New Footprint
- Demolition
- Combating Terrorism

Facility Services
- Janitorial
- Pest Control
- Refuse Collection/ Recycling
- Other
- Grounds Maint
- Street Sweeping & Snow Removal

Base Support Vehicle & Equip
- Mgmt & Admin
- Railroads
- Cranes
- Vehicles
- GSE/MHE
- Construction
- Other

Environmental

Compliance
- Mgmt & Planning
- Recurring Activity Support
- Non-recurring Activity Support

Conservation
- Recurring Activity Support
- Non-recurring Activity Support

Pollution Prevention
- Recurring Activity Support
- Non-recurring Activity Support

Public Safety

Force Protection
- Law Enforcement
- Physical Security Equipment
- Physical Security Mgmt/Planning
- Anti-Terrorism FP
- Harbor Security Craft
- Security Guard Ops

Federal Fire
- EMS Response
- Fire Protection Mgmt & Admin
- Fire Protection/ HAZMAT
- Crash & Rescue

Disaster Prep
- Disaster Preparedness

Safety
- NAVOSH
- Explosive Safety
- Traffic Safety
- Recreational/ Off-Duty Safety

Command & Staff

Command
- Command Admin
- Religious Prog
- G&A
- Legal
- Public Affairs

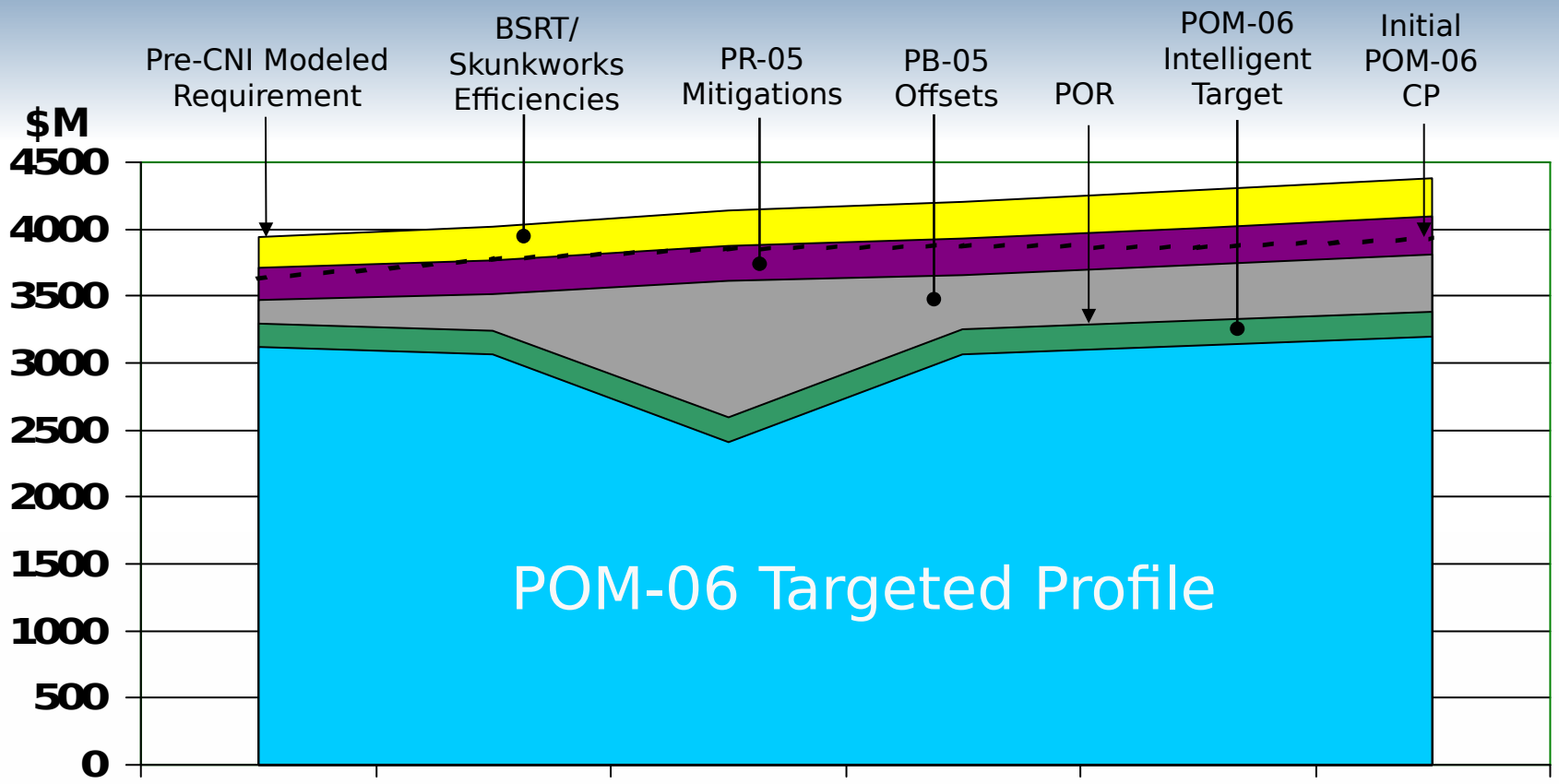
Resource Management
- Business Management Ops
- Manpower Mgmt
- Financial Mgmt
- HRO
- FECA

Info Tech Svcs
- IT Spprt & Mgmt/ Non-NMCI
- NMCI
- Base Comms
- *A/V Services*

MILPERS Svcs
- Pay & Personnel Support
- Restricted Barracks Admin
- Brigs
- TPU Admin
- Reserve Coord/ Mobilization
- MILPERS Training Support

Base Ops Funding Profile

Cumulative Impact of Efficiency Savings Assumptions



	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$3,633	$3,772	$3,858	$3,878	$3,867	$3,935
Target $M	$3,123	$3,067	$2,412	$3,070	$3,132	$3,194
Gap $M	$510	$705	$1,446	$808	$735	$741
Reduction %	14%	19%	37%	21%	19%	19%
Orig Gap $M	$823	$956	$1,731	$1,135	$1,161	$1,189
Orig Gap %	23%	26%	49%	30%	30%	30%
Offsets	$178	$274	$1,025	$398	$333*	$266*

* FY10 and FY11 reflect FY09 escalated

POM 06

Initiative B1: BOS Total (Various Low Risk Mitigation Strategies)

Product/Output Description:

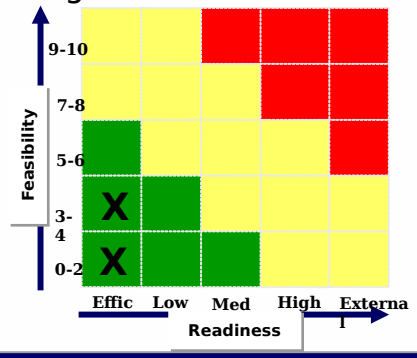
- Base Operations captures recurring operational cost for 97 Navy shore installations worldwide. Grouped in 3 support areas; Operating Forces support, (Port Ops at 272 piers, Air Ops at 112 runways), Community Support (MWR services at 3,260 facilities, Child Development Centers serving over 50,000 children, Operation of 71 Galleys, BQ operations for over 133,000 sailors, and Fleet and Family Service Centers), and Base Support (providing utilities and public works services to over $110B of physical plant property ashore). These support costs are individually modeled by each of 25 BOS functional areas with a total of 112 sub-functions.
- POM-06 Capability Plans maintain Capability Level (CL) programming decisions from PR05
  - CL2 for Air Ops, Port Ops, Utilities, OCONUS/R&I MWR and Galleys
  - CL3 for remaining modeled functions
  - LOE projections for functions not yet modeled

Proposed Action:

- Align airfield and port operation hours with Fleet requirement
- Reduce tug contract cost through economies of scale and establishment of regional IDIQ surge capability
- Improve BQ room assignment management
- Centralize Comptroller functions
- IT application standardization and server consolidation
- Reduce underutilized MWR Cat B & C activities in CONUS locations where commercial alternatives are available
- Regional centric staffing vice installation centric staffing (PAO, Legal, Religious, HR)

Risk / Impact Assessment:

- Low risk mitigations



FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	3,633	3,772	3,858	3,878	3,867	3,935	22,943
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment							
(-) Savings	98	116	119	115	106	108	662
Net	98	116	119	115	106	108	662
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	0	1	0	2	0	0	0	662	

POM 06

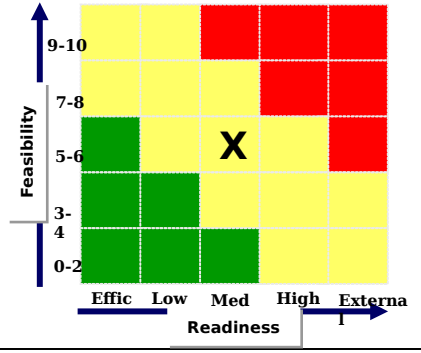
Initiative B2: Maintain Current CDP Capacity

Product/Output Description:

- The CDP provides care for children ages 0-12 through Child Development Centers (CDC), Child Development Homes (CDH), Resource and Referral (R&R) to off-base accredited programs, and School Age Care (SAC)
- Capacity is OSD goal calculated on a percentage of estimated number of eligible children. Current estimate based on static number of active duty personnel across FYDP

Proposed Action:

- Maintain current capacity (71% of potential need) vice growing capacity to 80% goal by FY07



Risk/Impact Assessment:

- Does not displace any currently enrolled children
- Does not meet OSD expansion goal
- Not able to reduce waiting list of 4,732
- Congressional/OSD interest and high visibility

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	97	97	100	102	104	106	606
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment							
(-) Savings	10	10	10	10	10	10	60
Net	10	10	10	10	10	10	60
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Req	Feas Risk	Invest $M	FYDP $M	Severity
M	1	2	0	2	0	5	0	60	

POM 06

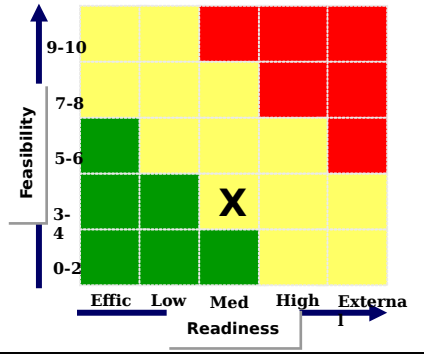
Initiative B3: Reduce Ashore Galleys

Product/Output Description:

- Provide meal service to Enlisted military personnel authorized Rations-in-Kind (RIK)
- Currently have 51 CONUS & 17 OCONUS galleys
- Investigating 19 Galleys with very low RIK

Proposed Action:

- Disestablish Galleys with low RIK use. Implement Basic Allowance for Subsistence (BAS)
- Leverage CAN galley study recommendations



Risk/Impact Assessment:

- Galley footprint available for other uses
- Net reduction in cost to Navy
- Figures do not reflect savings in food costs, SRM, utilities, and recapitalization
- Increase in the BAS account
- Politically sensitive where NISH has the FSA contract
- Sea-Shore Rotation for Culinary Specialists
- Availability of alternative eating establishments

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	123	127	131	135	138	142	796
APPN	O&MN/R	O&MN/	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Invest BAS	3	3	3	3	3	3	18
(-) Savings OMN	6	6	6	6	6	6	38
Net	3	3	3	3	3	3	20
Endstrength (FTE +/-)		-123	-100	-100			-323
Active		-123	-100	-100			-323
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:

- MPN savings reflected in MPN cross-functional mitigation

Assessment

Head Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	0	1	1	1	1	4	18	38	

POM 06

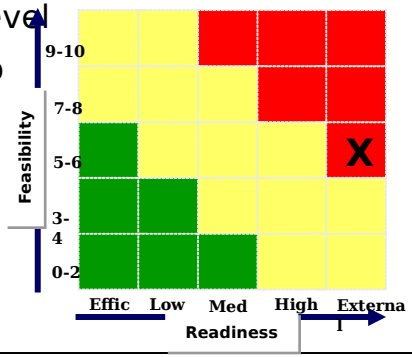
Initiative B4: Establish CL-3 for Utilities

Product/Output Description:

- Utilities provides the direct, delivered costs for electricity, steam, natural gas, water, sewage, and other utilities at CNI installations and over 150 reserve centers and other stand alone activities not on Navy installations
- Resources approx 40-45% of the total Navy utility bill of over $1B/yr

Proposed Action:

- Direct Regions and Activities to implement forced conservation measures necessary to reduce consumption down to CL-3 level
- Heating and A/C delayed up to 4 wks during transition periods: Thermostats set at 68 in Winter, 78 in Summer; 10% reduction in discretionary usage (ball fields, gyms, decorative lighting, etc.)



Risk/Impact Assessment:

- Reduced ventilation and environmental controls could expose work force to potentially unhealthy working conditions
- Inadequate temperature control can cause loss of electronic equipment in classrooms, simulators, air traffic control equipment, fire & security systems, etc.
- Reduced exterior lighting will increase safety and security risks
- Uncomfortable living and working conditions will reduce workforce moral and reduce retention

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	506	519	526	520	504	511	3,086
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment	0	0	0	0	0	0	0
(-) Savings	19	20	20	21	21	22	124
Net	486	500	505	499	483	489	2,962
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
X	0	2	2	2	0	6	0	124	

POM 06

Initiative B5: Convert CONUS PWDs to PWC Detachments

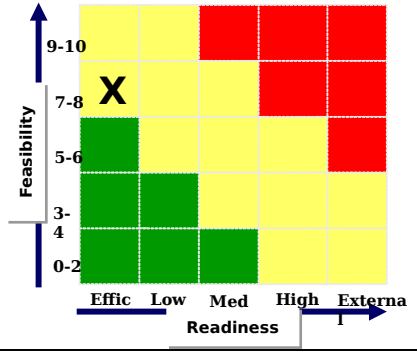
Product/Output Description:

•Funds the Public Works Management, Admin, Planning & Engineering functions necessary to maintain over $121B of Plant Property on CNI installations and over 150 reserve centers and other stand alone activities not on Navy installations.

Proposed Action:

•Task CNI and NAVFAC to convert 25 CONUS PWDs to detachments of existing PWCs

•NAVFAC Business Case Analysis dated 2 Feb 2004



Risk/Impact Assessment:

• Standardizes to a single method of delivering Public Works functions across all CONUS regions

• Aligns with NAVFAC strategy to realign into regional Facility Engineering Commands

• Benefits from NWCF funding flexibility

• Will require FMB approval to expand NWCF base

• BCA study done on macro level of three activities with small, medium and large PWD's. Extrapolated savings could have a significant margin of error

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	273	296	291	293	302	310	1,765
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment	4	0	0	0	0	0	4
(-) Savings	10	21	22	23	24	25	127
Net	7	21	22	23	24	25	123
Endstrength (FTE +/-)	-200	-200	-10	-10	-10	-10	-440
Active							
Reserve							
Civilian	-200	-200	-10	-10	-10	-10	-440
Contractor (E/S or $)							

Comments:

• Assumption is that high grade reductions will be achieved through attrition. Acceleration will require additional investment, not identified in BCA.

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	1	2	2	1	1	7	4	127	

POM 06

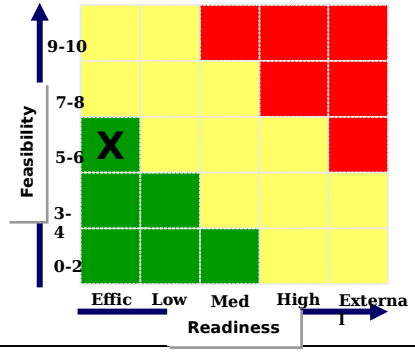
Initiative B6: Implement Facility Condition Assessment Program

Product/Output Description:

- Funds the Public Works Management, Admin, Planning & Engineering functions necessary to maintain over $121B of Plant Property on CNI installations and over 150 reserve centers and other stand alone activities not on Navy installations.

Proposed Action:

- Provide funding to develop and implement FCAP Navy wide
- Annual Inspection Summary requirement
- Installation Readiness Reporting System
- NAVFAC Facility Condition Assessment Working Group BCA



Risk/Impact Assessment:

- Negligible risk and impact
- Improved AIS data in IRRS
- BCA study done on macro level. Extrapolated savings could have a significant margin of error.

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
FP Baseline	273	296	291	293	302	310	1,765
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment	8	2	2	2	2	2	17
(-) Savings	0	14	14	15	15	15	73
Net	-8	12	13	13	13	14	56
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:

- Can achieve savings starting in FY06 if initial $8M investment is made at beginning of FY05.

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	0	1	2	1	1	5	17	70	

POM 06

Initiative B7: Reduce Acres Maintained

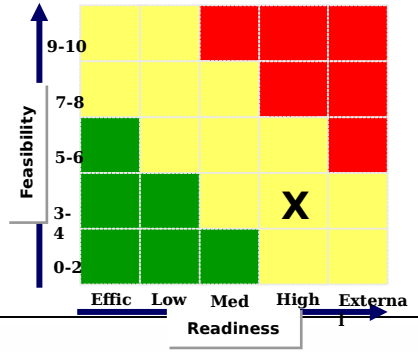
Product/Output Description:

• Facilities Services provides for grounds maintenance, janitorial services, pest control, street sweeping and snow removal, refuse collection and recycling and other miscellaneous services on CNI installations and over 150 reserve centers and other stand alone activities not on Navy installations

Proposed Action:

• Direct regions to identify areas on existing bases where vegetation can be allowed to return to its natural state without significantly impacting base appearance or mission

•Challenges NAVSEA OP 5 requirement



Risk/Impact Assessment:

• Requires region and activity level planning effort to identify specific savings opportunities

• Savings potential is medium to high risk due to large number of acreage reduction actions executed in the past. Additional reductions may impact mission and/or base appearance

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	177	181	184	187	190	194	1,113
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment	0	0	0	0	0	0	0
(-) Savings	7	7	7	7	8	8	44
Net	7	7	7	7	8	8	44
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
H	0	0	2	2	0	4	0	44	

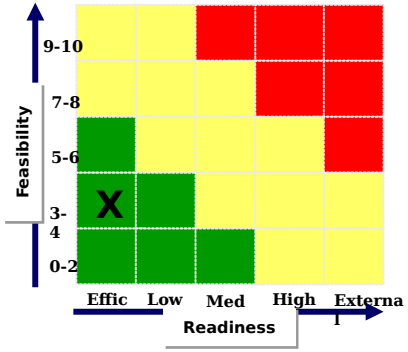
POM 06

Initiative B8: NAVFAC PWC Rate Reduction

- Base Operations captures recurring operational cost for 97 Navy shore installations worldwide. Grouped in 3 support areas; Operating Forces support, (Port Ops at 272 piers, Air Ops at 112 runways), Community Support (MWR services at 3,260 facilities, Child Development Centers serving over 50,000 children, Operation of 71 Galleys, BQ operations for over 133,000 sailors, and Fleet and Family Service Centers), and Base Support (providing utilities and public works services to over $110B of physical plant property ashore). These support costs are individually modeled by each of 25 BOS functional areas with a total of 112 sub-functions.

Proposed Action:

- None. PWC rate reduction generated savings.



Risk/Impact Assessment:

- Should be negligible risk if stabilized rates are in fact lowered across the FYDP in accordance with NAVFAC projections
- Ensure close coordination with FMB to ensure savings not also taken out during budget process as pricing adjustment

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	3,633	3,772	3,858	3,878	3,867	3,935	22,943
APPN	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	O&MN/R	
(+) Investment	0	0	0	0	0	0	0
(-) Savings	9	11	14	17	19	21	92
Net	9	11	14	17	19	21	92
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	0	0	1	2	0	3	0	92	

POM 06

Initiative B9: Force Protection CIVPERS Reductions

Product/Output Description:

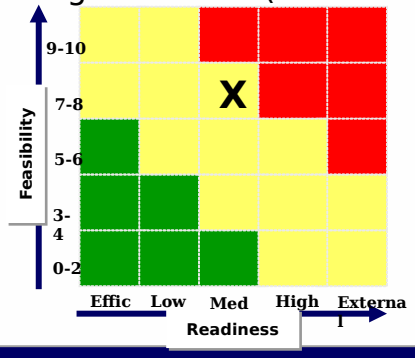
- Force Protection is composed of 11,486 MPN and 2,985 Civilians who provide Law Enforcement, Physical Security Management & Planning, and Security Guard Operations.
- Force Protection funds:
  - Physical Security Equipment (PSE): Communication equipment, sensors, cameras, and alarms at 97 installations. Boat Barrier protection at 24 installations
  - Security Guard Operations and Law Enforcement across 97 installations.
  - Over 60% of all Force Protection costs are directly related to labor.

Proposed Action:

- **Strategic Sourcing**
  - Seek strategic sourcing alternatives to optimize contractor use
- **Technology Insertion/CONOPS**
  - Re-evaluate manpower requirements in Navy security Concept of Operations

Risk/Impact Assessment:

- Possible resistance due to interpretation of current statutes, Public Laws, and various Department of Defense (DOD) and Navy regulations associated with strategic sourcing initiatives (Title 10 Sec. 2465 (1983))



FYDP Profile :

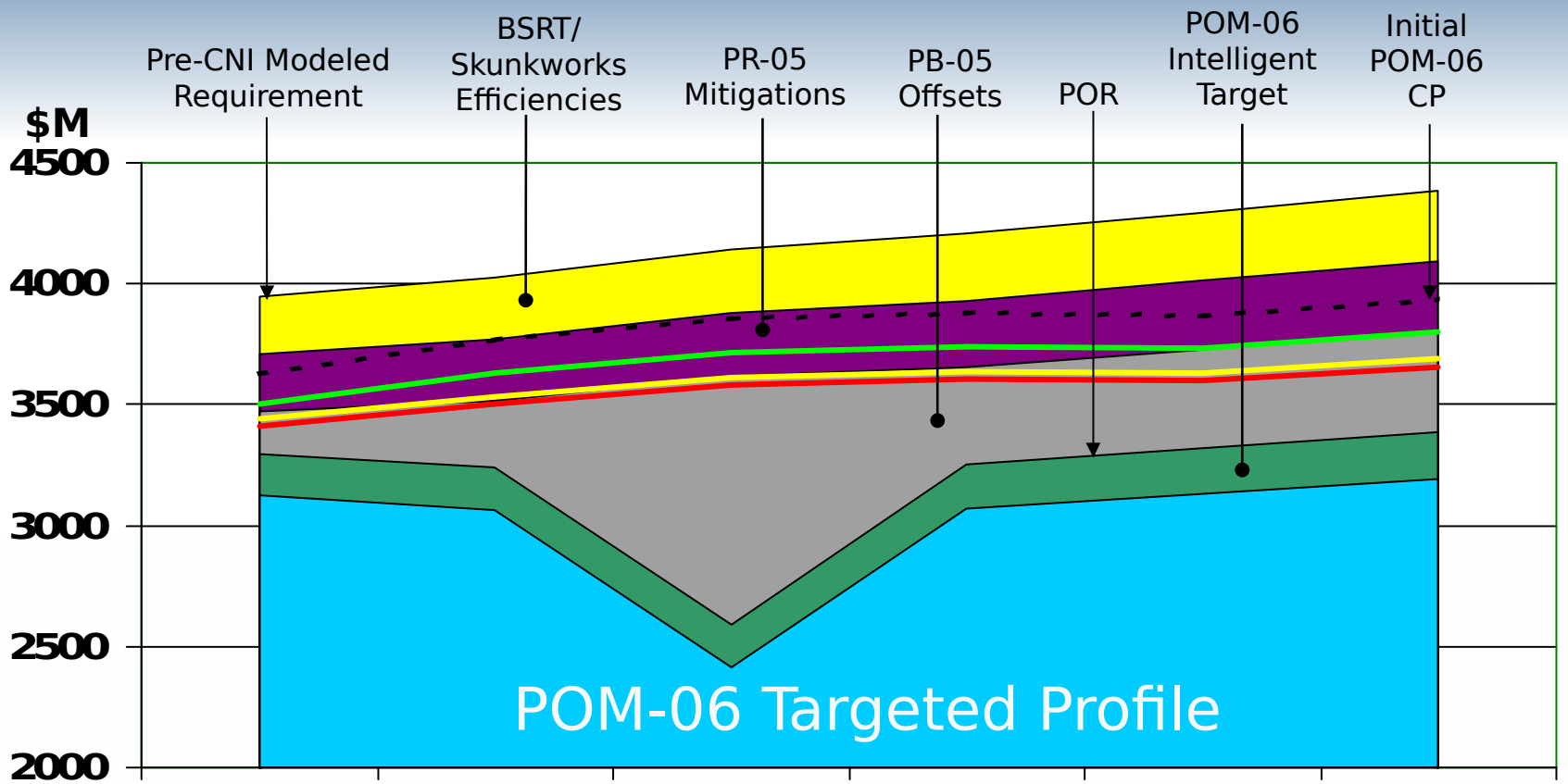
	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	342	361	378	362	320	326	2089
APPN	OMN/R	OMN/R	OMN/R	OMN/R	OMN/R	OMN/R	
(+) Investment	7	6	6	6	5	5	35
(-) Savings	31	31	32	32	32	33	191
Net	24	25	26	26	27	28	156
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Assessment
M	2	2	1	1	1	7	35	191	

Base Ops Funding Profile

Mitigation Summary



	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$3,633	$3,772	$3,858	$3,878	$3,867	$3,935
Target $M	$3,123	$3,067	$2,412	$3,070	$3,132	$3,194
Gap $M	$510	$705	$1,446	$808	$735	$741
Reduction %	14%	19%	37%	21%	19%	19%
Low Risk	$128	$142	$146	$141	$133	$137
Med Risk	$62	$97	$101	$102	$105	$108
High Risk	$29	$30	$30	$32	$32	$33

Does not include cross-functional nor MPN mitigation strategies

POM 06

Facilities Investment

Installation Core Business Model

Air Operations

Airfield Operations
- Airfield Logistics
- Air Traffic Control
- Aviation Fuel Support
- Ground Electronics
- T-Line/ Airfield Facilities

Aviation Support
- Auxiliary Airfield Support
- Cargo Handling
- Passenger Terminal Ops

Port Operations

Port Services
- Berthing & Hotel Services
- Port Logistics
- Port Operations Center
- Tugs & Craft

Other Port Ops
- Magnetic Silencing
- Sea Air Rescue
- Spill Response

Operations Support

Other Ops Support
- Weapons Range Support
- HealthCare Support

Supply
- Supply Management
- Procurement
- POL Mgmt
- Inventory Mgt
- Warehousing
- Postal Ops

Personnel Support

MWR
- Cat A Activities
- Cat B Activities
- Cat C Activities

Child Development
- Child Development Centers
- Child Development Homes
- Resource/ Referral
- School Age Care

Galley
- Food Service Contracts
- Galley Operations

Fleet and Family Support
- Deployment/ Readiness
- Crisis Response
- Career Support/ Retention

Housing

Family Housing
- Management
- Services
- Furnishings
- PPV
- Miscellaneous
- Utilities
- Maintenance
- Leasing
- Intrastation moves [non-FH,N]

Bachelor Quarters Ops
- Contract Berthing
- Permanent Party
- ***PPV***
- Student
- Transient

Other Community Support
- Overseas Personnel Support
- Ceremonial Guard/ Funeral Honors
- Museums

Facility Support

Utilities
- Chiller Plant
- Electrical
- Gas
- Other
- Sewage
- Steam
- Water

Facility Management
- Mgmt & Admin
- Installation Plans and Engineering
- Collateral Equip
- *Real Estate*

SRM
- Sustainment
- Restoration & Modernization
- New Footprint
- Demolition
- Combating Terrorism

Facility Services
- Janitorial
- Pest Control
- Refuse Collection/ Recycling
- Other
- Grounds Maint
- Street Sweeping & Snow Removal

Base Support Vehicle & Equip
- Mgmt & Admin
- Railroads
- Cranes
- Vehicles
- GSE/MHE
- Construction
- Other

Environmental

Compliance
- Mgmt & Planning
- Recurring Activity Support
- Non-recurring Activity Support

Conservation
- Recurring Activity Support
- Non-recurring Activity Support

Pollution Prevention
- Recurring Activity Support
- Non-recurring Activity Support

Public Safety

Force Protection
- Law Enforcement
- Physical Security Equipment
- Physical Security Mgmt/Planning
- Anti-Terrorism FP
- Harbor Security Craft
- Security Guard Ops

Federal Fire
- EMS Response
- Fire Protection Mgmt & Admin
- Fire Protection/ HAZMAT
- Crash & Rescue

Disaster Prep
- Disaster Preparedness

Safety
- NAVOSH
- Explosive Safety
- Traffic Safety
- Recreational/ Off-Duty Safety

Command & Staff

Command
- Command Admin
- Religious Prog
- G&A
- Legal
- Public Affairs

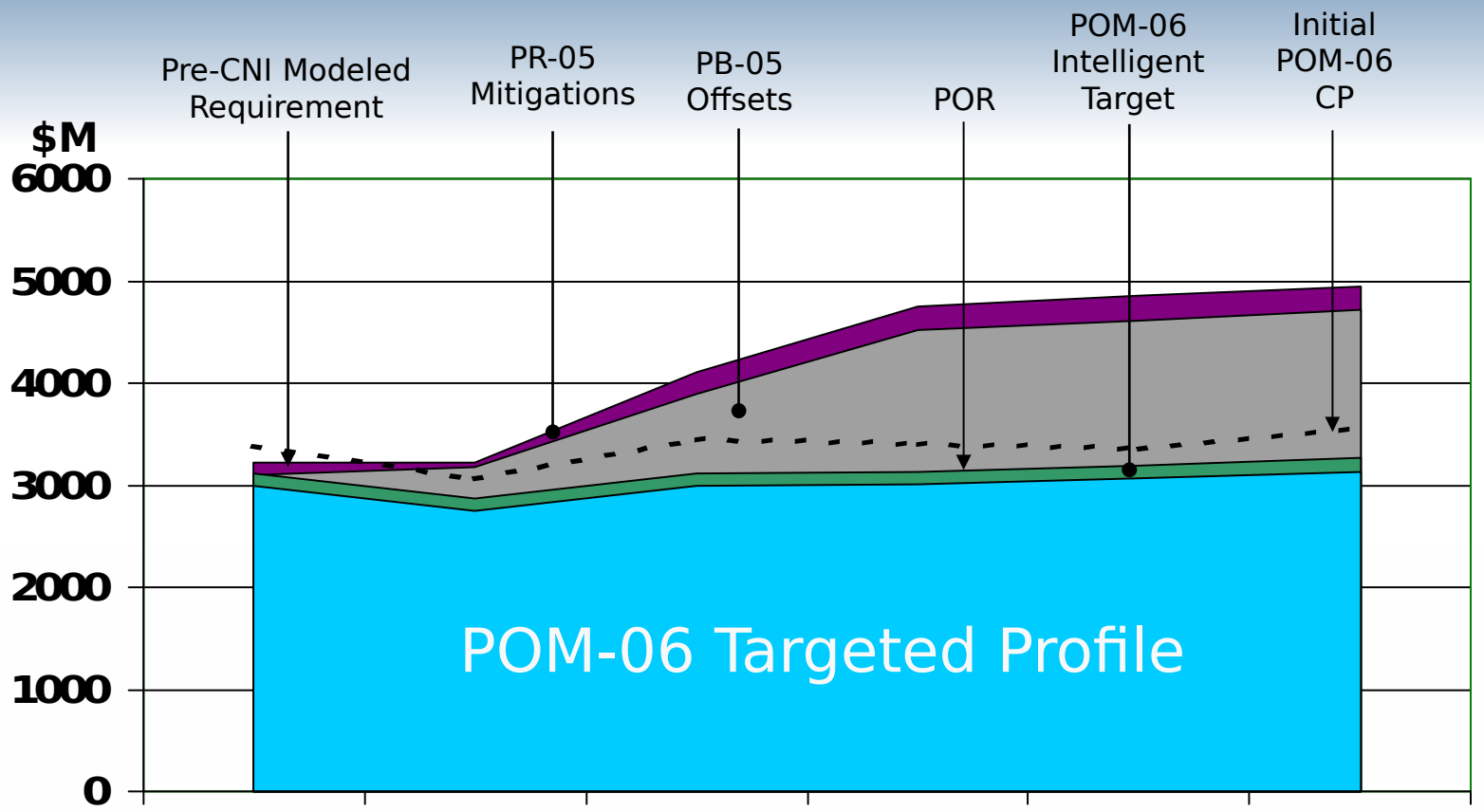
Resource Management
- Business Management Ops
- Manpower Mgmt
- Financial Mgmt
- HRO
- FECA

Info Tech Svcs
- IT Spprt & Mgmt/ Non-NMCI
- NMCI
- Base Comms
- *A/V Services*

MILPERS Svcs
- Pay & Personnel Support
- Restricted Barracks Admin
- Brigs
- TPU Admin
- Reserve Coord/ Mobilization
- MILPERS Training Support

Facility Investment Funding Profile

Cumulative Impact of Efficiency Savings Assumptions



	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$3,393	$3,069	$3,448	$3,407	$3,352	$3,562
Target $M	$2,996	$2,747	$3,000	$3,004	$3,068	$3,132
Gap $M	$397	$322	$448	$403	$284	$430
Reduction %	12%	10%	13%	12%	8%	12%
Orig Gap $M	$227	$479	$1,103	$1,748	$1,784	$1,822
Orig Gap %	7%	15%	27%	37%	37%	37%
Offsets	($18)	$314	$779	$1,389	$1234*	$1257*

* FY10 and FY11 reflect FY09 escalated

POM 06

Initiative F1: Sustain at 90% of FSM in FY06 & FY07

Product/Output Description:

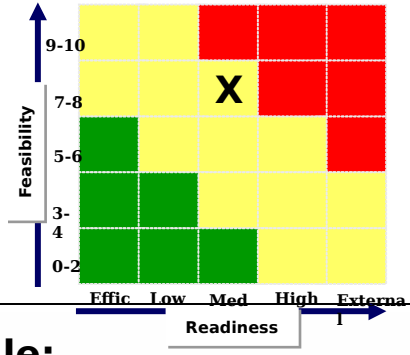
- Sustainment performs maintenance and repairs necessary to keep facilities in good working order, and scheduled replacement of major facility components
- Sustained inventory consists of $110B of Plant Value at CNI Installations in 16 Regions, 272 piers, 112 Runways on 27 Air Stations (including OLFs and ALFs), and 22,000 Buildings with 240MSF
- OSD Facilities Sustainment Model 5.0
- CP reflects 95% in FY06/07 and 100% in the out years
- POR reflects 90% in FY06/07 and 100% in the out years

Risk/Impact Assessment:

- OSD acceptance of this mitigation is unlikely based on PBD 702
- This mitigation accepts some premature degradation of facility condition when compared to full sustainment.
- Draft SPG also emphasizes Sustainment to benchmarks established by the DoD Facilities Sustainment Model

Proposed Action:

- Keep FY06 and FY07 Sustainment at 90% of FSM
- This represents no change from PB-05 POR and eliminates FY06/07 additional investment of $67M



FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	1270	1271	1356	1390	1420	1449	8155
APPN	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR
(+) Investment	0	0	0	0	0	0	0
(-) Savings	67	67	0	0	0	0	134
Net	67	67	0	0	0	0	134
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	1	2	2	2	0	7	0	134	

POM 06

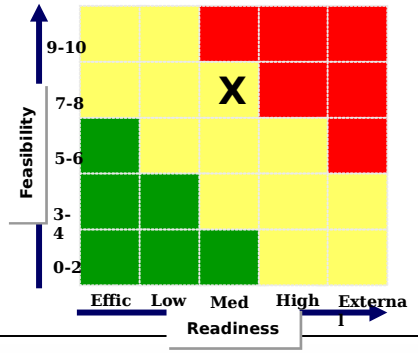
Initiative F2: Reduce Sustainment to 95% FY08-11

Product/Output Description:

- Sustainment performs maintenance and repairs necessary to keep facilities in good working order, and scheduled replacement of major facility components
- Sustained inventory consists of $110B of Plant Value at CNI Installations in 16 Regions, 272 piers, 112 Runways on 27 Air Stations (including OLFs and ALFs), and 22,000 Buildings with 240MSF
- OSD Facilities Sustainment Model 5.0
- CP reflects 95% in FY06/07 and 100% in the out years
- POR reflects 90% in FY06/07 and 100% in the out years

Proposed Action:

- Set Sustainment at 95% of FSM commencing in 08



Risk/Impact Assessment:

- OSD acceptance of this mitigation is highly unlikely based on PBD 702
- This mitigation accepts some premature degradation of facility condition when compared to full sustainment.
- Draft SPG also emphasizes Sustainment to benchmarks established by the DoD Facilities Sustainment Model

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	1270	1271	1356	1390	1420	1449	8155
APPN	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR
(+) Investment	0	0	0	0	0	0	0
(-) Savings	0	0	68	70	71	71	280
Net	0	0	68	70	71	71	280
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	1	2	2	2	0	7	0	280	

POM 06

Initiative F3: Sustain at Intelligent Target across FYDP

Product/Output Description:

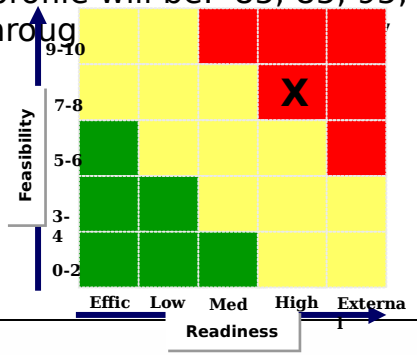
- Sustainment performs maintenance and repairs necessary to keep facilities in good working order, and scheduled replacement of major facility components
- Sustained inventory consists of $110B of Plant Value at CNI Installations in 16 Regions, 272 piers, 112 Runways on 27 Air Stations (including OLFs and ALFs), and 22,000 Buildings with 240MSF
- OSD Facilities Sustainment Model 5.0
- CP reflects 95% in FY06/07 and 100% in the out years
- POR reflects 90% in FY06/07 and 100% in the out years

Risk/Impact Assessment:

- OSD acceptance of this mitigation is extremely unlikely based on PBD 702
- This mitigation accepts some premature degradation of facility condition when compared to full sustainment
- Draft SPG also emphasizes Sustainment to benchmarks established by the DoD Facilities Sustainment Model

Proposed Action:

- Sustain at OPNAV/CNI Intelligent Target across FYDP
- Sustainment profile will be: 85, 85, 95, 95, 95, & 95% for FY06 throug



FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	1270	1271	1356	1390	1420	1449	8155
APPN	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR
(+) Investment	0	0	0	0	0	0	0
(-) Savings	128	130	67	68	70	70	533
Net	128	130	67	68	70	70	533
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
H	1	2	2	2	0	7	0	533	

POM 06

Initiative F4: Reduce Facility Recapitalization Inventory - Excess Facilities

Product/Output Description:

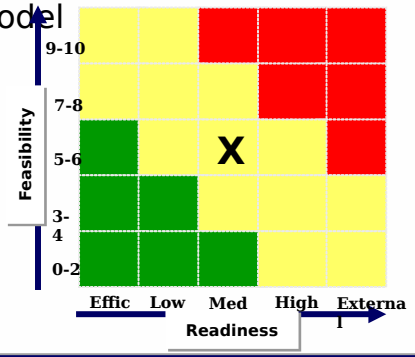
- Recapitalization restores aged or damaged facilities, or modernizes them to new standards & missions
- Recap Inventory consists of $110B of Plant Value at CNI Installations in 16 Regions, 272 Piers, 112 Runways on 27 Air Stations (including OLFs and ALFs), and 22,000 Buildings with 240MSF
- OSD-Metric recommends DoD average of 67-year recap rate

Proposed Action:

- Inventory of Plant Property to be Recapitalized can be adjusted with justification to OSD
- Alter the inventory where plant inventory exceeds current requirement in a location so investment in Facility recap is not calculated on replacing excess or surge-only use facilities
- Introduce concept of surge infrastructure

Risk/Impact Assessment:

- Potential conflict between 67 year Recap and Q3/Q4 deficiency corrections
- Draft SPG also emphasizes Recap rate established by DoD Facility Model



FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	1328	1247	1581	1610	1641	1674	9081
APPN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN
(+) Investment	0	0	0	0	0	0	0
(-) Savings	72	68	85	87	88	90	490
Net	72	68	85	87	88	90	490
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	0	2	2	1	0	5	0	490	

POM 06

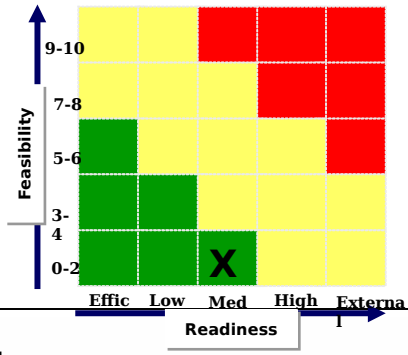
Initiative F5: Smooth Glide Slope to meet 67 yr Recap rate in FY08

Product/Output Description:

- Recapitalization restores aged or damaged facilities, or modernizes them to new standards & missions
- Recap Inventory consists of $110B of Plant Value at CNI Installations in 16 Regions, 272 Piers, 112 Runways on 27 Air Stations (including OLFs and ALFs), and 22,000 Buildings with 240MSF
- OSD-Metric recommends DoD average of 67-year recap rate

Proposed Action:

- Progressive improvement in Recap rate from FY05 to 67 year rate in FY08, revises FY06 & FY07 recap rates to 121 years and 94 years respectively



Risk/Impact Assessment:

- Some potential resistance at OSD to revising recap investment profile
- Provides straight glide slope FY05 to FY08.

Revised recap profile is as follows:

	PB-05/POR	POM-06
FY05	148 years	148 years
FY06	76 years	121 years
FY07	82 years	94 years
FY08	67 years	67 years

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	1328	1247	1581	1610	1641	1674	9081
APPN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN	MCON/OMN
(+) Investment	0	0	0	0	0	0	0
(-) Savings	535	173	0	0	0	0	708
Net	535	173	0	0	0	0	708
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	0	1	0	1	0	2	0	708	

POM 06

Initiative F6: NAVFAC Reduction in SIOH Rate

Product/Output Description:

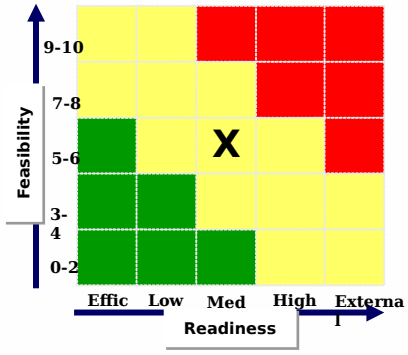
- NAVFAC provides Supervision and Inspection services for Military Construction projects

Proposed Action:

- NAVFAC will reduce MILCON SIOH rates as follows:
  - CONUS from 6% to 5.7% across the FYDP
  - OCONUS from 6.5% to 6.2% across the FYDP

Risk/Impact Assessment:

- OSD supports initiative



FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	2072	1746	2040	1964	1876	2057	11755
APPN	MCON	MCON	MCON	MCON	MCON	MCON	MCON
(+) Investment	0	0	0	0	0	0	0
(-) Savings	5	4	4	5	6	6	30
Net	5	4	4	5	6	6	30
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	0	2	2	1	0	5	0	30	

POM 06

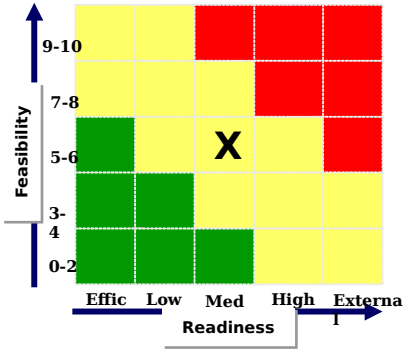
Initiative F7: New Footprint, Don't do Priority 4

Product/Output Description:

- Priority 4 funds New Footprint projects that include O&M ATFP projects, Lower Priority ATFP MILCON projects, and lower Priority Region and Mission Claimant projects such as recruit support center and school of international graduate studies

Proposed Action:

- Don't fund priority 4 projects



Risk/Impact Assessment:

- Delays implementation of new ATFP standards at entry control points
- Some projects have particular political interest

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	744	499	459	354	235	383	2674
APPN	MCON	MCON	MCON	MCON	MCON	MCON	MCON
(+) Investment	0	0	0	0	0	0	0
(-) Savings	38	21	47	81	91	43	321
Net	38	21	47	81	91	43	321
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	1	2	1	2	0	6	0	321	

POM 06

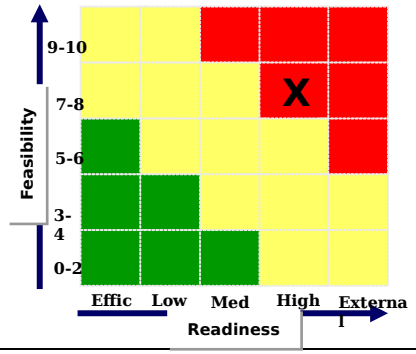
Initiative F8: New Footprint, Don't do Priority 3

Product/Output Description:

- Priority 3 funds New Footprint projects that include Region and Mission Claimant high priority projects, projects to support force structure increase, increased training throughput, joint reserve center initiatives, ATFP projects at special weapons facilities. Examples: BEQ for EOD School at Eglin, Ops Support facilities in Bahrain, Port Security Complex, Waterfront Mods for SSBN/SSGN, Reserve Center Addition, El Paso

Proposed Action:

- Don't fund priority three projects



Risk/Impact Assessment:

- Political resistance to projects that fall out of FYDP
- Potential OSD involvement with ATFP projects that will not be accomplished at Special Weapons Facilities
- Potential OSD involvement with Reserve projects
- Delays implementation of new force protection standards at Special Weapons Facilities

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	744	499	459	354	236	383	2675
APPN	MCON	MCON	MCON	MCON	MCON	MCON	MCON
(+) Investment	0	0	0	0	0	0	0
(-) Savings	177	88	138	76	63	118	660
Net	177	88	138	76	63	118	660
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
H	1	2	2	2	0	7	0	660	

POM 06

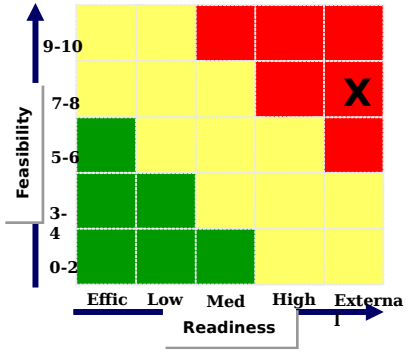
Initiative F9: New Footprint, Don't do Priority 2

Product/Output Description:

- Priority 2 funds New Footprint projects that support New Mission projects. This includes all projects in support of new platforms such as H60 hangars in Norfolk, Building additions to support trainers, R & D facilities to support new weapons systems and platforms

Proposed Action:

- Don't fund priority 2 projects.



Risk/Impact Assessment:

- Political resistance to projects that fall out of FYDP
- OSD involvement with CT projects that will not be accomplished at Special Weapons Facilities (may require waiver to OSD directive)
- OSD involvement with Reserve projects because projects support consolidation of Reserve
- Impacts the deployment of new platforms. Would require modification to deployment scenarios (SSGN voyage repair sites, T-AKE port access), no hangars for H60 CV squadrons, wont meet IOC for V22 (depot maintenance requirement).

FYDP Profile:

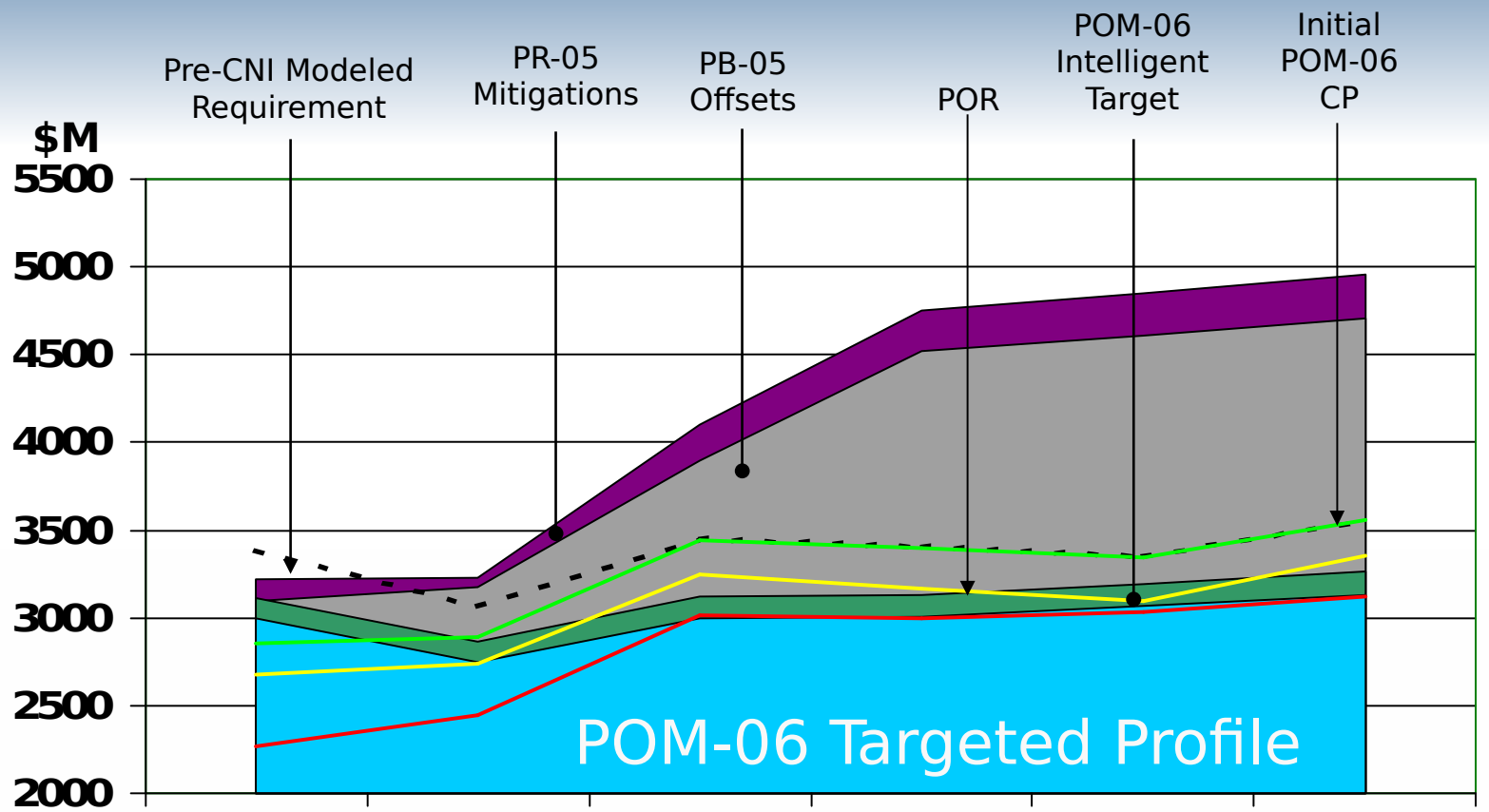
	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	744	499	459	354	236	383	2675
APPN	MCON	MCON	MCON	MCON	MCON	MCON	MCON
(+) Investment	0	0	0	0	0	0	0
(-) Savings	171	138	95	94	0	116	614
Net	171	138	95	94	0	116	614
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Head Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
X	1	2	2	2	0	7	0	614	

Facility Investment Funding Profile

Mitigation Summary



	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$3,393	$3,069	$3,448	$3,407	$3,352	$3,562
Target $M	$2,996	$2,747	$3,000	$3,004	$3,068	$3,132
Gap $M	$397	$322	$448	$403	$284	$430
Reduction %	12%	10%	13%	12%	8%	12%
Low Risk	$540	$177	$4	$5	$6	$0
Med Risk	$175	$156	$200	$238	$250	$204
High Risk	$409	$289	$233	$170	$63	$234

* FY10 and FY11 reflect FY09 escalated

Family Housing
Installation Core Business Model

Air Operations

Airfield Operations
- Airfield Logistics
- Air Traffic Control
- Aviation Fuel Support
- Ground Electronics
- T-Line/ Airfield Facilities

Aviation Support
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- Cargo Handling
- Passenger Terminal Ops

Port Operations

Port Services
- Berthing & Hotel Services
- Port Logistics
- Port Operations Center
- Tugs & Craft

Other Port Ops
- Magnetic Silencing
- Sea Air Rescue
- Spill Response

Operations Support

Other Ops Support
- Weapons Range Support
- HealthCare Support

Supply
- Supply Management
- Procurement
- POL Mgmt
- Inventory Mgt
- Warehousing
- Postal Ops

Personnel Support

MWR
- Cat A Activities
- Cat B Activities
- Cat C Activities

Child Development
- Child Development Centers
- Child Development Homes
- Resource/ Referral
- School Age Care

Galley
- Food Service Contracts
- Galley Operations

Fleet and Family Support
- Deployment/ Readiness
- Crisis Response
- Career Support/ Retention

Housing

Family Housing
- Management
- Services
- Furnishings
- PPV
- Miscellaneous
- Utilities
- Maintenance
- Leasing
- Intra-station moves [nor-FH,N]

Bachelor Quarters Ops
- Contract Berthing
- Permanent Party
- ***PPV***
- Student
- Transient

Other Community Support
- Overseas Personnel Support
- Ceremonial Guard/ Funeral Honors
- Museums

Facility Support

Utilities
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- Electrical
- Gas
- Other
- Sewage
- Steam
- Water

Facility Management
- Mgmt & Admin
- Installation Plans and Engineering
- Collateral Equip
- *Real Estate*

SRM
- Sustainment
- Restoration & Modernization
- New Footprint
- Demolition
- Combating Terrorism

Facility Services
- Janitorial
- Pest Control
- Refuse Collection/ Recycling
- Other
- Grounds Maint
- Street Sweeping & Snow Removal

Base Support Vehicle & Equip
- Mgmt & Admin
- Railroads
- Cranes
- Vehicles
- GSE/MHE
- Construction
- Other

Environmental

Compliance
- Mgmt & Planning
- Recurring Activity Support
- Non-recurring Activity Support

Conservation
- Recurring Activity Support
- Non-recurring Activity Support

Pollution Prevention
- Recurring Activity Support
- Non-recurring Activity Support

Public Safety

Force Protection
- Law Enforcement
- Physical Security Equipment
- Physical Security Mgmt/Planning
- Anti-Terrorism FP
- Harbor Security Craft
- Security Guard Ops

Federal Fire
- EMS Response
- Fire Protection Mgmt & Admin
- Fire Protection/ HAZMAT
- Crash & Rescue

Disaster Prep
- Disaster Preparedness

Safety
- NAVOSH
- Explosive Safety
- Traffic Safety
- Recreational/ Off-Duty Safety

Command & Staff

Command
- Command Admin
- Religious Prog
- G&A
- Legal
- Public Affairs

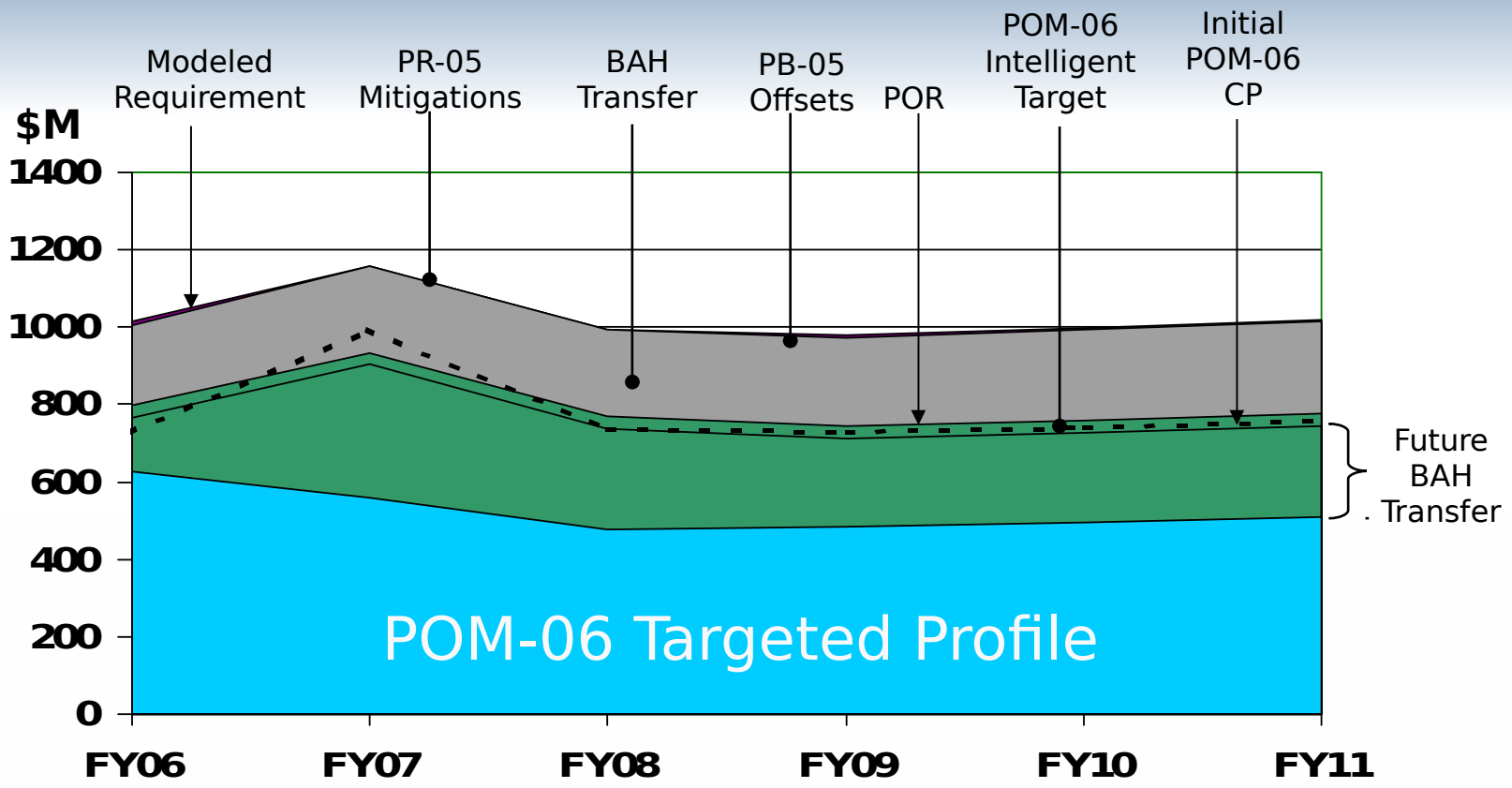
Resource Management
- Business Management Ops
- Manpower Mgmt
- Financial Mgmt
- HRO
- FECA

Info Tech Svcs
- IT Spprt & Mgmt/ Non-NMCI
- NMCI
- Base Comms
- *A/V Services*

MILPERS Svcs
- Pay & Personnel Support
- Restricted Barracks Admin
- Brigs
- TPU Admin
- Reserve Coord/ Mobilization
- MILPERS Training Support

Family Housing Funding Profile

Cumulative Impact of Efficiency Savings Assumptions



CP-06 $M	$727	$994	$739	$732	$741	$757
Target $M	$767	$904	$739	$714	$728	$743
Gap $M	-$40	$90	$0	$18	$13	$14
Reduction %	-6%	9%	0%	2%	2%	2%
Orig Gap $M	$250	$255	$256	$264	$270	$275
Orig Gap %	25%	22%	26%	27%	27%	27%
Offsets	$8	$17	$12	$11	$11	$11

* FY10 and FY11 reflect FY09 escalated

POM 06

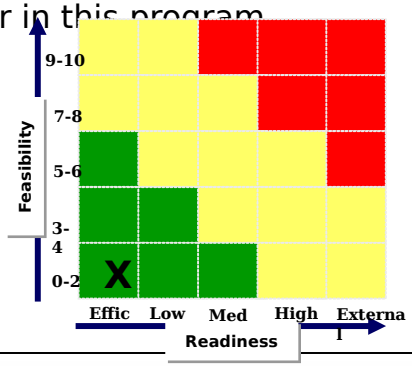
Initiative H1: Evaluation of Recruiter Leasing Program

Product/Output Description:

•The Navy provides ~500 leases to Recruiters whose Permanent Duty Assignment is > 1 hour commute from an installation with government FH assets and whose anticipated Out-of-Pocket expenses exceed BAH + 7.5%.

Proposed Action:

•Based on DoD's continuing effort to eliminate Out-of-Pocket expenses, assume a projected reduction of ~10% will occur in this program.



Risk/Impact Assessment:

•Regardless of elimination of Out-of-Pocket, there will always be a need for this program, based on the isolation of the recruiter and the costs incurred

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
0808744N/07000	124.3	127.7	126.7	128.9	131.4	134.7	773.6
FH,N OPS (Leasing)	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS
(+) Investment ($M)	0.6	0.6	0.6	0.7	0.7	0.7	4.0
(-) Savings ($M)	1.1	1.1	1.1	1.1	1.1	1.2	6.7
Net	**0.5**	**0.5**	**0.5**	**0.5**	**0.4**	**0.4**	**2.7**

Comments:

•Investment would be a BAH cost and savings would be achieved in FH,N.

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	Savings $M	Severity
E	0	0	0	1	0	1	4	7	

POM 06

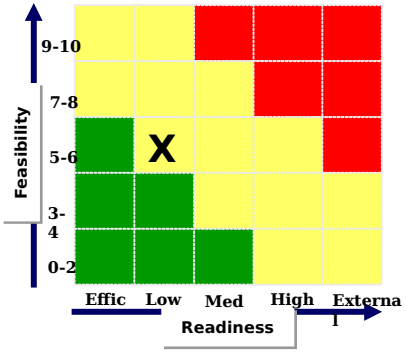
Initiative H2: Eliminate O-6 & Below OCONUS HCLs

Product/Output Description:

•Navy provides ~20 High Cost Leases annually to key billeted positions OCONUS (filled by all services) based on their billet, representational responsibilities, and availability of equivalent quarters in the community.

Proposed Action:

•Eliminate 9 High Cost Leases: O-6 (8) and E-9 (1).



Risk/Impact Assessment:

•Net savings (OHA vs. Lease Costs), at a maximum, is relatively low < $300K/yr.

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	Total
0808744N/07000	124.3	127.7	126.7	128.9	131.4	134.7	773.6
FH,N OPS (Leasing)	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS
(+) Investment ($M)	0.3	0.3	0.4	0.4	0.4	0.4	2.1
(-) Savings ($M)	0.6	0.7	0.7	0.7	0.7	0.7	4.1
Net	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**1.9**

Comments:

•Investment would be an Overseas Housing Allowance cost and savings would be achieved in FH,N.

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	Savings $M	Severity
L	0	2	1	2	1	6	2	4	

POM 06

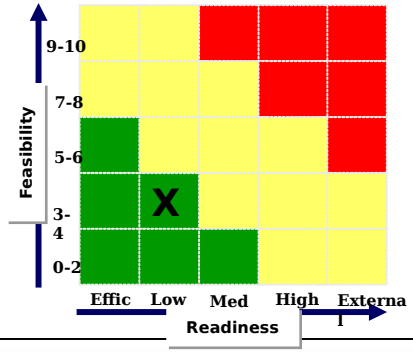
Initiative H3: Post-PPV Family Housing Management

Product/Output Description:

•Upon the execution of a PPV project, there is an expectation that the Management function will be reduced. CNI Housing is studying what the residual staff and requirements will be at privatized locations.

Proposed Action:

•Implement recommendations from Housing study with regards to staff reductions due to PPV.



Risk/Impact Assessment:

•Potential increases in interest rates could make PPV not financially feasible.

FYDP Profile:

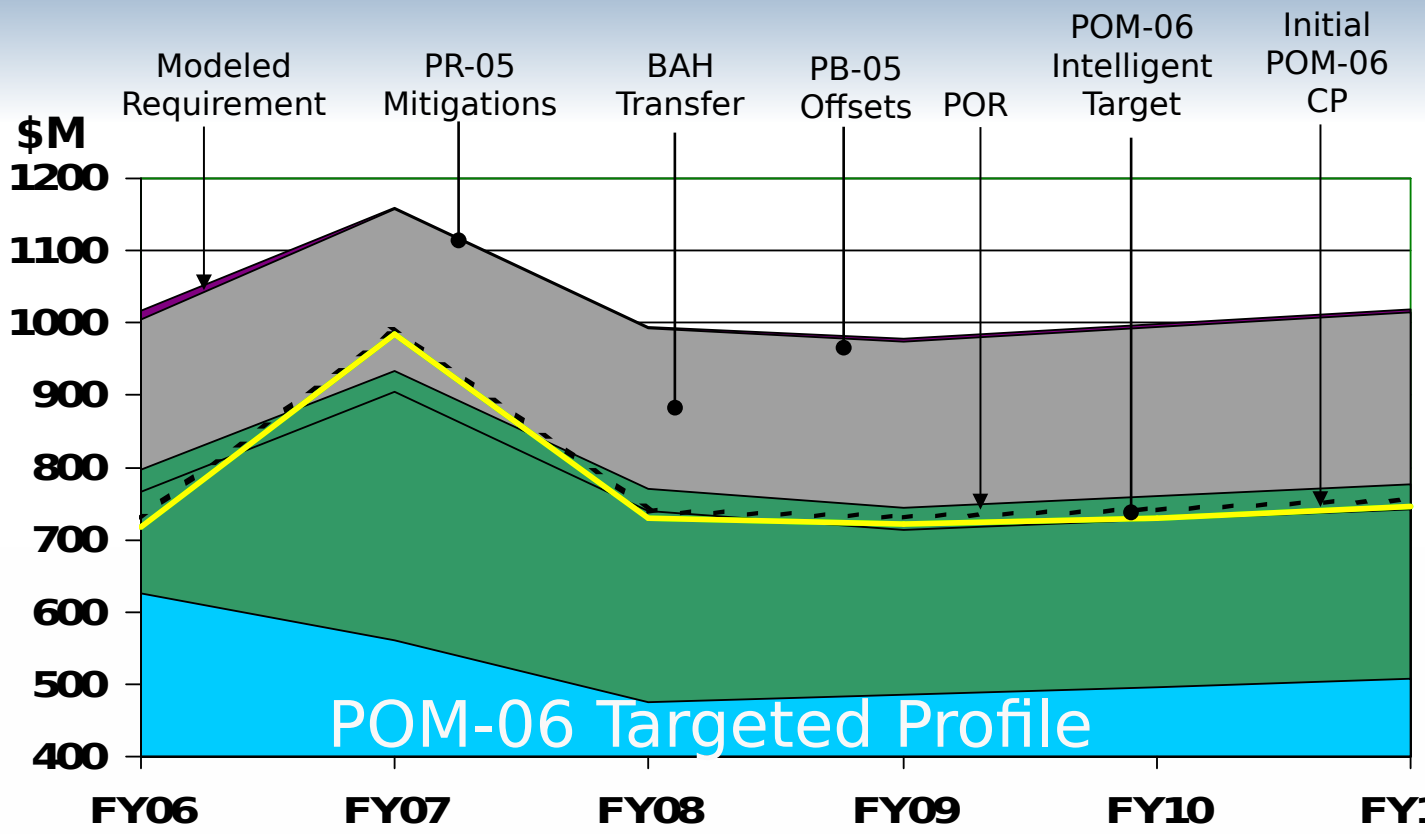
	FY06	FY07	FY08	FY09	FY10	FY11	Total
0808745N	129	121	123	125	129	131	758
FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS	FH,N OPS
(+) Investment ($M)	0	0	0	0	0	0	0
(-) Savings ($M)	9	9	9	9	10	10	56
Net	**9**	**9**	**9**	**9**	**10**	**10**	**56**

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	Savings $M	Severity
L	1	1	1	1	0	4	0	56	

Family Housing Funding Profile

Mitigation Summary



	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$727	$994	$739	$732	$741	$757
Target $M	$767	$904	$739	$714	$728	$743
Gap $M	-$40	$90	$0	$18	$13	$14
Reduction %	-6%	9%	0%	2%	2%	2%
Low Risk	$9.5	$9.5	$9.5	$9.5	$10.5	$10.5
Med Risk	$0.3	$0.3	$0.3	$0.3	$0.3	$0.3
High Risk	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Keflavik housing is covered in cross-functional area

Cross-Functional Mitigations

Air Operations

Airfield Operations
- Airfield Logistics
- Air Traffic Control
- Aviation Fuel Support
- Ground Electronics
- T-Line/ Airfield Facilities

Aviation Support
- Auxiliary Airfield Support
- Cargo Handling
- Passenger Terminal Ops

Port Operations

Port Services
- Berthing & Hotel Services
- Port Logistics
- Port Operations Center
- Tugs & Craft

Other Port Ops
- Magnetic Silencing
- Sea Air Rescue
- Spill Response

Operations Support

Other Ops Support
- Weapons Range Support
- HealthCare Support

Supply
- Supply Management
- Procurement
- POL Mgmt
- Inventory Mgt
- Warehousing
- Postal Ops

Personnel Support

MWR
- Cat A Activities
- Cat B Activities
- Cat C Activities

Child Development
- Child Development Centers
- Child Development Homes
- Resource/ Referral
- School Age Care

Galley
- Food Service Contracts
- Galley Operations

Fleet and Family Support
- Deployment/ Readiness
- Crisis Response
- Career Support/ Retention

Housing

Family Housing
- Management
- Services
- Furnishings
- PPV
- Miscellaneous
- Utilities
- Maintenance
- Leasing
- Intrastation moves [non-FH,N]

Bachelor Quarters Ops
- Contract Berthing
- Permanent Party
- ***PPV***
- Student
- Transient

Other Community Support
- Overseas Personnel Support
- Ceremonial Guard/ Funeral Honors
- Museums

Facility Support

Utilities
- Chiller Plant
- Electrical
- Gas
- Other
- Sewage
- Steam
- Water

Facility Management
- Mgmt & Admin
- Installation Plans and Engineering
- Collateral Equip
- *Real Estate*

SRM
- Sustainment
- Restoration & Modernization
- New Footprint
- Demolition
- Combating Terrorism

Facility Services
- Janitorial
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- NMCI
- Base Comms
- *A/V Services*

MILPERS Svcs
- Pay & Personnel Support
- Restricted Barracks Admin
- Brigs
- TPU Admin
- Reserve Coord/ Mobilization
- MILPERS Training Support

POM 06

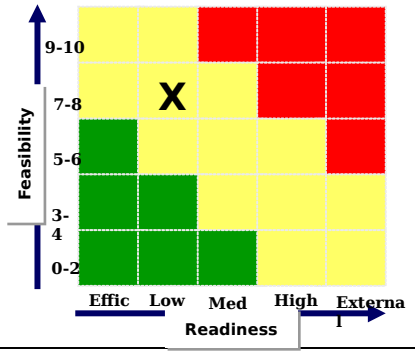
Initiative C1: Navy Withdrawal from Keflavik

Product/Output Description:

•Navy currently executes the Installation Management Core Business Model at NAS Keflavik

Proposed Action:

•Eliminate programming for Keflavik in anticipation of Navy withdrawal



Risk / Impact Assessment:

•Joint use international airport
•Existing treaties may mandate support of Keflavik
•Local political backlash
•Requirement to relocate existing operational units

FYDP Profile:

	FY06	FY07	FY08	FY09	FY10	FY11	FYDP
Family Housing Construction	$0	$147	$0	$0	$0	$0	$147
Family Housing O&M	$16	$15	$15	$15	$15	$16	$92
MPN Savings	$29	$29	$29	$29	$29	$29	$173
Sustainment	$34	$35	$35	$36	$37	$38	$215
Recap	$28	$29	$32	$33	$34	$35	$191
Facility Support BOS	$20	$20	$20	$20	$20	$20	$120
Personnel Support BOS	$20	$20	$20	$20	$20	$20	$120
Op Support BOS	$20	$20	$20	$20	$20	$20	$120
Total	$167	$315	$171	$173	$175	$178	$1,178

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
L	2	2	2	2	0	8	0	1,118	

Initiative: Navy Withdrawal from Keflavik

	FY06	FY07	FY08	FY09	FY10	FY11	FYDP
Family Housing Construction	$0	$147	$0	$0	$0	$0	$147
Family Housing O&M	$16	$15	$15	$15	$15	$16	$92
MPN Savings	$29	$29	$29	$29	$29	$29	$173
Sustainment	$34	$35	$35	$36	$37	$38	$215
Recap	$28	$29	$32	$33	$34	$35	$191
Facility Support BOS	$20	$20	$20	$20	$20	$20	$120
Personnel Support BOS	$20	$20	$20	$20	$20	$20	$120
Op Support BOS	$20	$20	$20	$20	$20	$20	$120
Total	$167	$315	$171	$173	$175	$178	$1,178

POM 06

Initiative C2: Civilianize MPN Billet Requirement 20%

Product/Output Description:

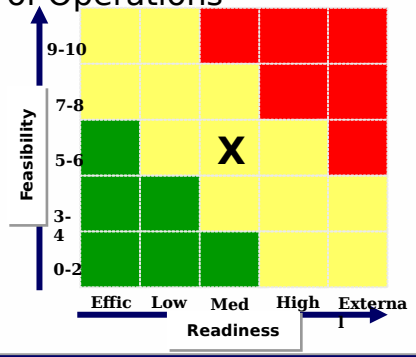
- Military manpower presently constitutes roughly 41% of the billets assigned to CNI
- CNI, as the single Shore Manpower Claimant, seeks to achieve the most efficient Total Manpower solution for accomplishing its mission
- Existing manpower as inherited from divesting installation claimants, primarily justified by sea-shore rotation
- POM-06 provides an opportunity to coordinate with N1 to shape rate structure and location of billets ashore

Proposed Action:

- Eliminate billets carried as requirement and previously funded in SIM but which are traditionally not filled
- Reduce billets where organizational streamlining alignment eliminates redundancy (Legal, Chaplains, PAO, etc)
- Reduce billets as we close or outsource galleys
- Re-evaluate manpower requirements in Navy security Concept of Operations for ATFP
- Target overseas billets as well as focus in non Fleet concentration areas
- Phase in 4% per year through FY10
- Overall anticipated compensation is 7 FTE per 10 military

Risk / Impact Assessment:

- Ability for N1 to reduce people
- Conversion factor for MPN to civilian FTE
- Navy IG identified 11,000 recoded billets
- ATFP Concept of Operations
- Timing



FYDP Profile:

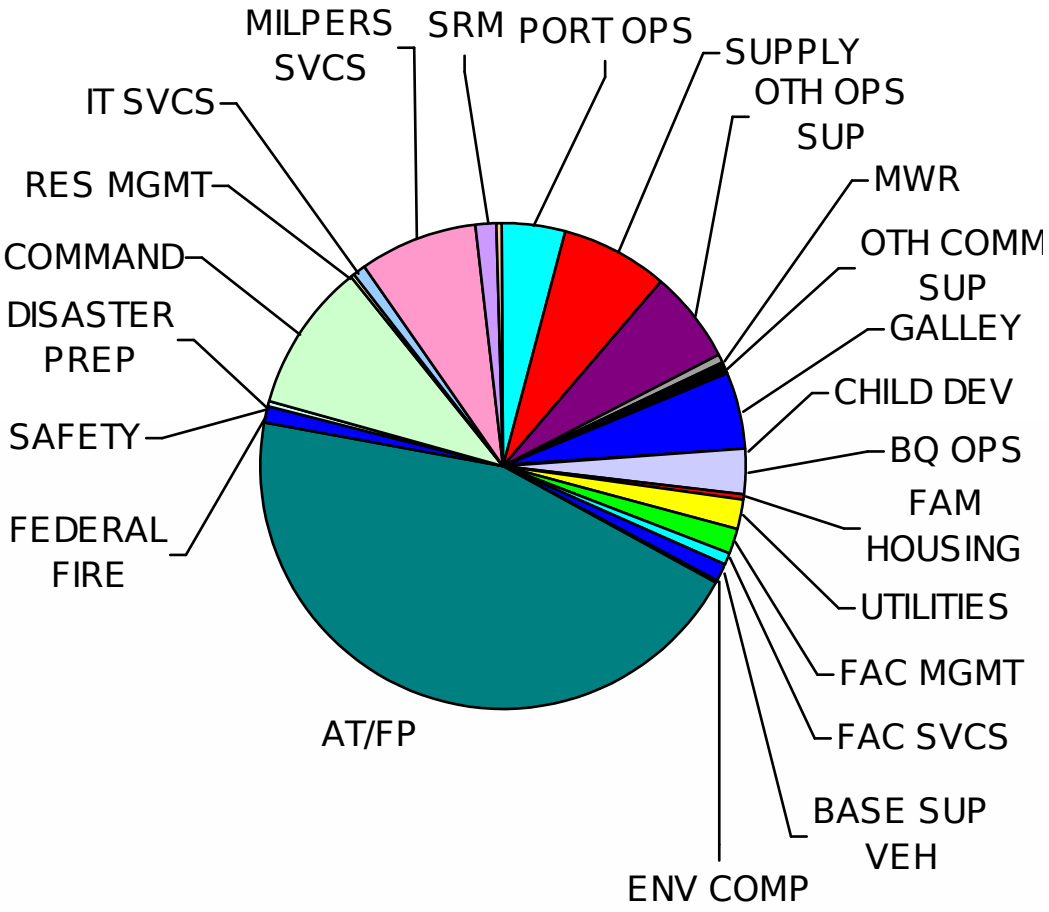
	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	1,777	1,828	1,874	1,921	1,961	2,003	11,364
APPN	MPN	MPN	MPN	MPN	MPN	MPN	
(+) Invest OMN	45	91	136	181	227	227	906
(-) Savings MPN	71	142	212	283	354	354	1416
Net	26	51	77	102	128	128	510
Endstrength (FTE +/-)							
Active	-1200	-1200	-1200	-1200	-1200	0	-6000
Reserve							
Civilian	840	840	840	840	840	0	4200
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	1	1	1	1	1	5	906	1416	

MPN: Functional Distribution of CNI Military Billets

- **Top 90%**
  - **40% AT/FP (11,836)**
  - **10.1% Air OPS (2959)**
  - **8.9% Command (2,621)**
  - **7% MIL Personnel SVC (2,081)**
  - **6.5% Supply (1,921)**
  - **4.5% Galley (1,345)**
  - **3.79% Port OPS (1,112)**
  - **2.79% BQ OPS (819)**
  - **Remaining 10% (3,068)**



POM 06

Initiative C3: Optimize Number of CONUS Regions

Product/Output Description:

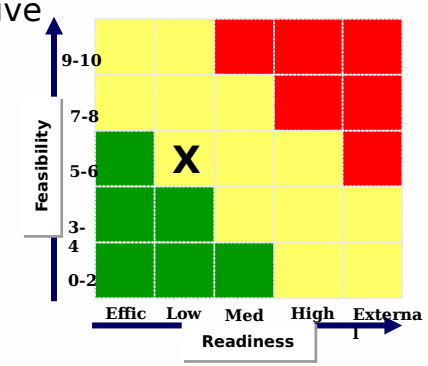
- Navy presently has 10 CONUS Regions.
- Present alignment dates back to FY 98 Regionalization effort
- Some of the CONUS Regional Commanders are exclusively focused on SIM; others are double-hatted with mission responsibilities in addition to SIM functions

Proposed Action:

- Optimize the number of CONUS Regions
- Vision is to realign regions so that all Regional Commanders are full-time SIM with no double-hatting
- Efficiencies are two-fold:
  - Reduced Regional labor costs through implementation of workload-driven staffing algorithms
  - Secondary savings associated with economies of scale in areas such as Resource Management, larger contracts, leveraging specialists across a broader customer base, and full-time SIM leadership.

Risk / Impact Assessment:

- Minor risk, if accomplished as a BRAC Policy Imperative



FYDP Profile:

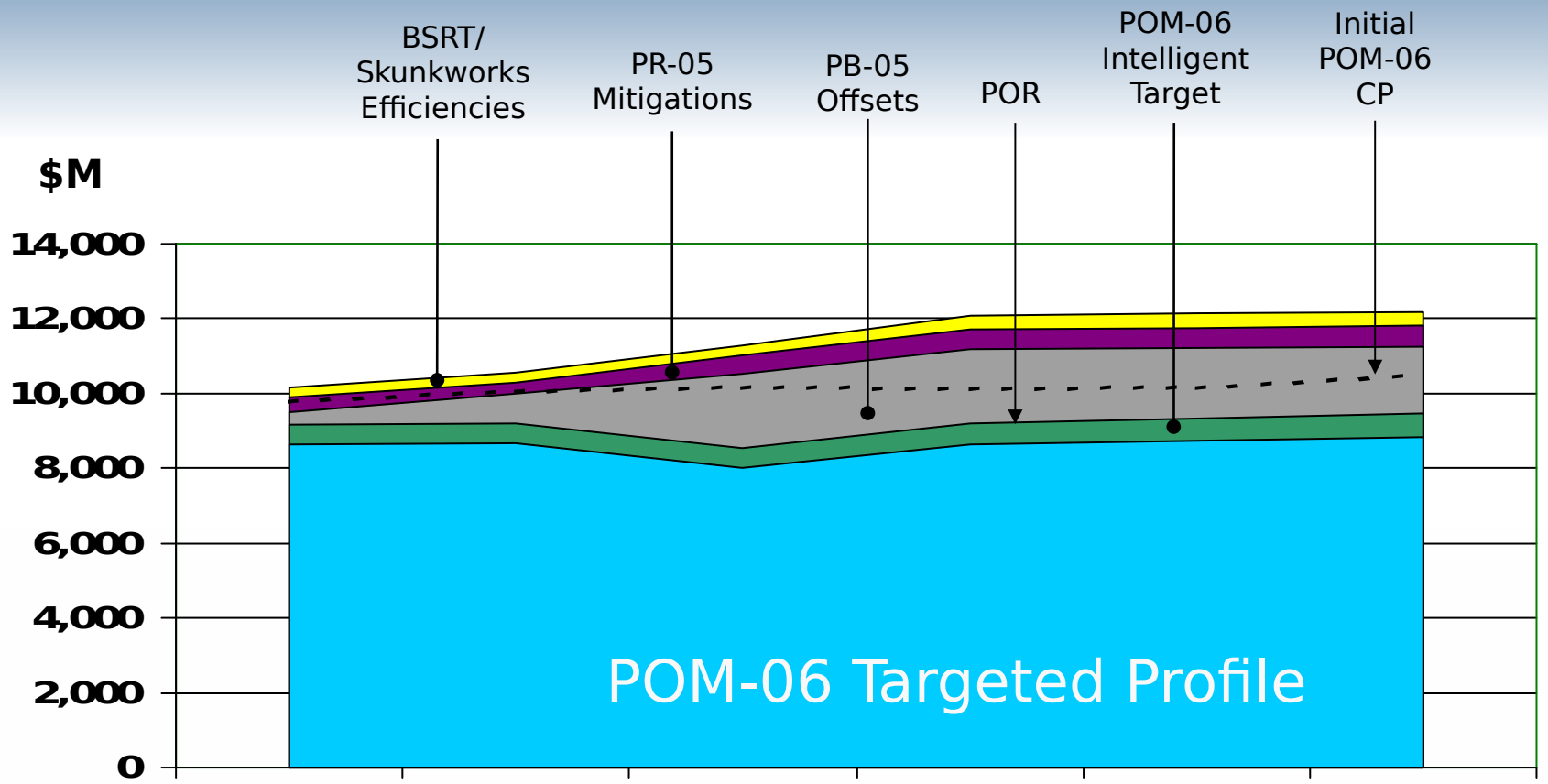
	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	3,633	3,772	3,858	3,878	3,867	3,935	22,943
APPN	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR	OMN/NR
(+) Investment							
(-) Savings	12	12	12	12	12	13	73
Net	12	12	12	12	12	13	73
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Assessment

Read Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
L	1	2	1	1	0	5	0	73	

Total Funding Profile (INCL MPN)

Cumulative Impact of Efficiency Savings Assumptions

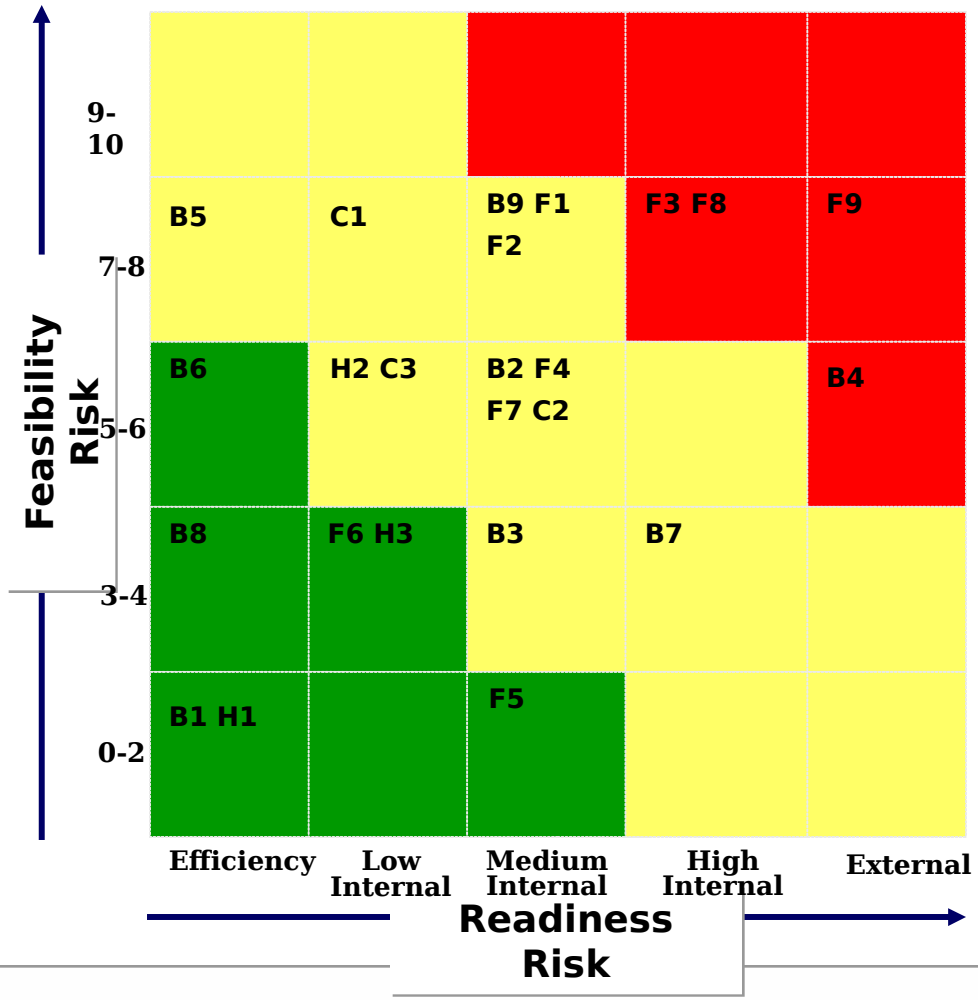


	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$9,809	$10,064	$10,170	$10,126	$10,147	$10,486
Target $M	$8,644	$8,668	$7,995	$8,638	$8,742	$8,848
Gap $M	$1,165	$1,396	$2,175	$1,488	$1,405	$1,638
Reduction %	12%	14%	21%	15%	14%	16%
Orig Gap $M	$1,501	$1,892	$3,301	$3,457	$3,397	$3,334
Offsets	$337	$778	$1,996	$1,984	$1902*	$1819*

* FY10 and FY11 reflect FY09 escalated

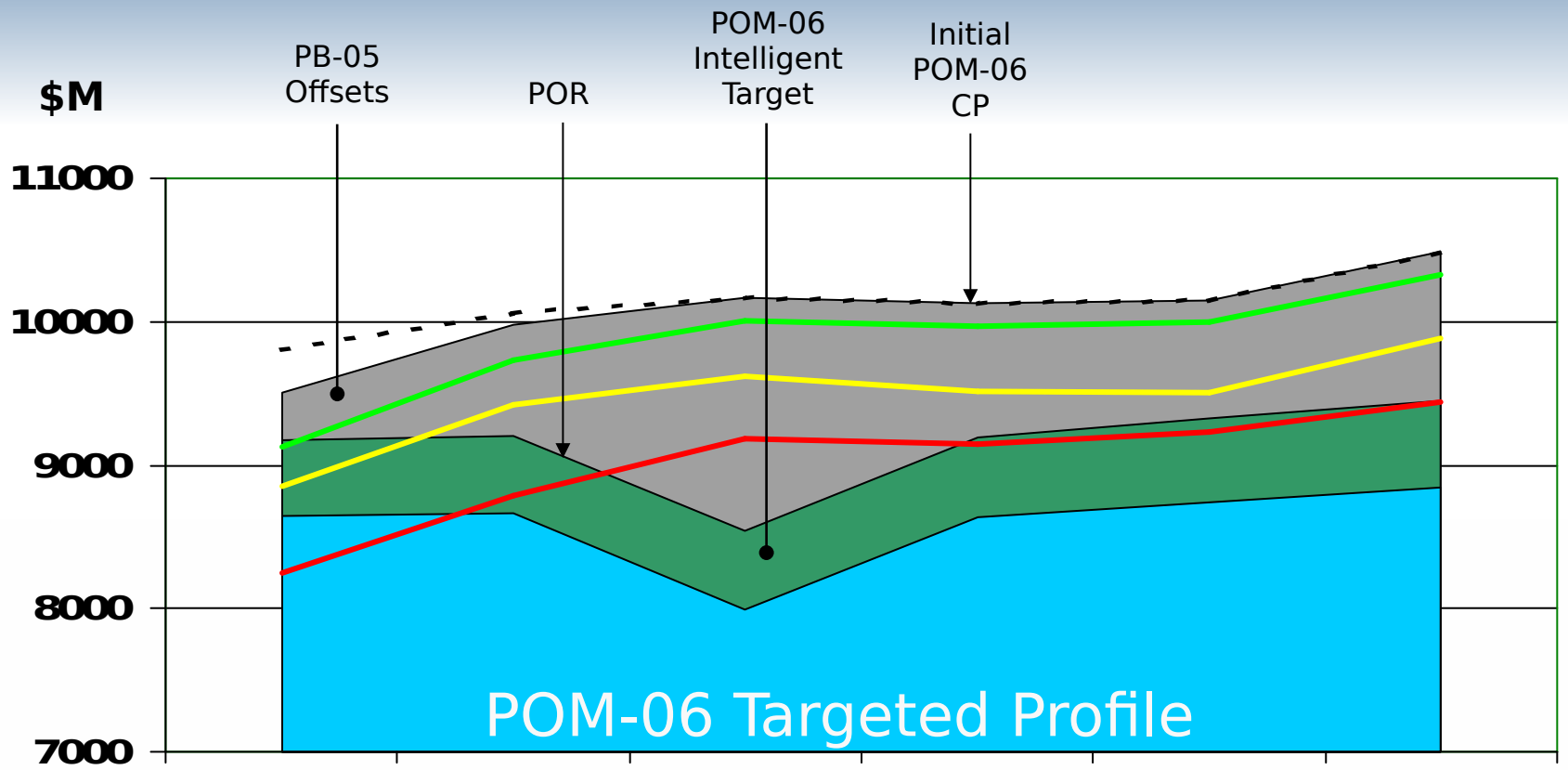
Initiative Summary

Overall Severity



Total Funding Profile (INCL MPN)

Mitigation Opportunities – First Cut



	FY06	FY07	FY08	FY09	FY10	FY11
CP-06 $M	$9,809	$10,064	$10,170	$10,126	$10,147	$10,486
Target $M	$8,644	$8,668	$7,995	$8,638	$8,742	$8,848
Gap $M	$1,165	$1,396	$2,175	$1,488	$1,405	$1,638
Reduction %	12%	14%	21%	15%	14%	16%
Offsets	$337	$778	$1,625	$928	$824	$1,638
Low Risk	$677	$329	$159	$155	$150	$154
Med Risk	$275	$317	$389	$454	$495	$452
High Risk	$605	$634	$434	$375	$270	$445

CNI Intelligent Target

		FY05	FY06	FY07	FY08	FY09	FYDP
CNI	PROC	1,334	2,228	2,187	2,108	2,181	10,038
	OMN	4,526	4,499	4,431	3,963	4,588	22,007
	OMNR	182	181	160	183	184	891
	MPN	1,728	1,777	1,828	1,874	1,921	9,127
Total		7,770	8,685	8,606	8,128	8,874	42,063
5% of FY05 Baseline		389	n/a	n/a	n/a	n/a	n/a
POM06 Targets		n/a	397	405	413	422	1,637
New Total		7,770	8,288	8,201	7,715	8,452	40,426

CNI Intelligent Target

	FY05	FY06	FY07	FY08	FY09	FYDP
PROC	1,334	2,228	2,187	2,108	2,181	10,038
PROC Target		68	70	71	72	281
PROC Low Risk Mit		480	164	14	15	17
PROC Med Risk Mit		99	81	121	157	168
PROC High Risk Mit		388	413	276	214	108
OMN	4,526	4,499	4,431	3,963	4,588	22,007
OMNR	182	181	160	183	184	890
OMN/R Target		240	245	251	256	992
OMN/R Low Risk Mit		197	165	146	141	133
OMN/R Med Risk Mit		150	185	192	195	199
OMN/R High Risk Mit		188	192	129	132	134
MPN	1,728	1,777	1,828	1,874	1,921	9,128
MPN Target		88	91	93	96	368
MPN Low Risk Mit		0	0	0	0	0
MPN Med Risk Mit		26	51	77	102	128
MPN High Risk Mit		29	29	29	29	29
Total	7,770	8,685	8,606	8,128	8,874	42,063
POM06 Targets	n/a	397	405	413	422	1,637
Low Risk Mit Total		677	329	159	155	1,321
Med Risk Mit Total		275	317	389	454	1,435
High Risk Mit Total		605	634	434	375	2,048